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NEWS RELEASE

Acting United States Attorney Laurie Magid today announced the government has reached a settlement with Steven Davis, of Philadelphia, and Fuschia Davis, of Salt Lake City, Utah, to resolve alleged violations of the False Claims Act regarding federal student loans. Fuschia Davis and her father Steven will pay the United States \$54,000 to resolve allegations that Fuschia Davis falsified federal student financial aid applications in order to obtain college financial aid from the Department of Education ("DOE") for her own benefit, and that Steven Davis, aware of his daughter's actions, encouraged her.

The Higher Education Act authorizes the United States to offer student financial assistance, including Pell Grants and subsidized or federally insured student loans. These programs are administered by DOE and provide federal monies to eligible post-secondary students in financial need. Eligibility is based on an evaluation of income and assets of the student's family. If a student has been supported by his or her parents in the previous year, then the student is considered a dependent student and both parents' income for the previous year is used to determine financial need.

According to the allegations laid out in the complaint, Fuschia Davis created a false identity and submitted a false application minimizing her family income available for college, thus qualifying Fuschia Davis for federal student financial aid to which she was not entitled. Steven Davis was aware and encouraged the plan.

The case was investigated by Agent Kristy Smith of the DOE's Office of Inspector General and was handled by Assistant United States Attorney Virginia R. Powel.

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